



Steven L. Beshear
Governor

Mark David Goss
Chairman

Robert D. Vance, Secretary
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Commonwealth of Kentucky
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John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

Timothy J. LeDonne
Commissioner
Department of Public Protection

December 27, 2007

Paul D. Butcher
Co-owner
Woodland Estates Sewage System
P. O. Box 586
West Van Lear, KY 41268

CERTIFICATE OF SERVICE

RE: Case No. 2007-00397
Woodland Estates Sewage System

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on December 27, 2007.

Executive Director

BOD/rs
Enclosure



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Honorable David Edward Spenard
Assistant Attorney General
Office of the Attorney General Utility & Rate Intervention Division
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WOODLAND ESTATES)	
SEWAGE SYSTEM FOR AN ADJUSTMENT OF)	CASE NO.
RATES PURSUANT TO THE ALTERNATIVE RATE)	2007-00397
FILING PROCEDURE FOR SMALL UTILITIES)	

ORDER

On September 10, 2007, Woodland Estates Sewage System ("Woodland") filed its application for Commission approval of proposed rates for sewer service. The proposed rates for service would generate additional annual revenues of \$5,184, a 66.67 percent increase in normalized test-year sales of \$7,776. The proposed rates would increase Woodland's monthly flat rate for sewer service from \$27 to \$45.

Upon request, intervention was granted to the Attorney General of the Commonwealth of Kentucky ("Attorney General") by Order dated October 19, 2007.

Commission Staff performed a limited financial review of Woodland's operations and prepared a Staff Report that was issued by Order dated November 21, 2007. In its report, Staff recommended that the Commission approve a flat monthly rate of \$41.05, an increase of \$14.05 or 52 percent over Woodland's current rate. Staff determined this rate would result in annual revenues of \$11,822. In its Order of November 21, 2007, the Commission granted all parties 10 days in which to submit comments or to request an informal conference or hearing, and provided that, if no comments or requests were received by the end of the 10-day period, this case would stand submitted for decision. The Commission has not received any comments or requests.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds that the rates proposed by Woodland are excessive and should be denied and that the rates recommended by Staff and shown in this Order at Appendix A should be approved. The rates in Appendix A will produce annual revenues from sewer service of \$11,822 and are fair, just, and reasonable.

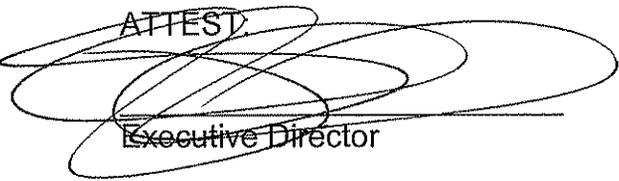
IT IS THEREFORE ORDERED that:

1. The rates proposed by Woodland are denied.
2. The rates recommended by Staff and contained in Appendix A of this Order are approved for service rendered by Woodland on and after the date of this Order.
3. Within 30 days of the date of this Order, Woodland shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 27th day of December, 2007.

By Commission

ATTEST


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00397 DATED December 27, 2007

The following rates and charges are prescribed for the customers in the area serviced by Woodland Estates Sewage System. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Residential Sewer Charge

\$41.05